ReedSmith

Reed Smith LLP
435 Sixth Avenue
Pittsburgh, PA 15219-1886
+1 412 288 3131
Fax +1 412 288 3063

Efrem M. Grail
Direct Phone: +1 412 288 4586
Email: egrail@reedsmith.com

July 11, 2007

VIA ELECTRONIC and U.S. MAIL
(David.L. Barber@usdoj.gov; Larry.P.Cote@usdoj.gov)

D. Linden Barber
Associate Chief Counsel
Larry P. Cote
Senior Attorney
Diversion and Regulatory
Litigation Section
Drug Enforcement Administration
600 Army Navy Drive
Arlington, VA 22202

Re: AmerisourceBergen Drug Corporation

Dear Counsel:

Please allow this letter to serve as confirmation of several aspects of the protocol developed by the Drug Enforcement Administration ("DEA") and AmerisourceBergen Drug Corporation ("ABDC"), to implement Sections II(1)(b) and II(2)(b) of that Settlement and Release Agreement dated June 22, 2007 ("the Agreement"), between our clients, DEA and ABDC (together, "the Parties").

To begin, as noted in the telephone voicemail message to me from Larry Cote of Monday, July 2, Michael Mapes, Chief, DEA Office of Diversion Control, and technical/regulatory staff working with him, have been in frequent, direct telephone contact with Chris Zimmerman, Vice President for Corporate Security and Regulatory Affairs ("CSRA") of ABDC in order to implement the technical exchange of electronic information, which ABDC is to provide to the DEA under the Agreement. Mr. Zimmerman and his ABDC team will continue to work directly with Mr. Mapes and the DEA technical/regulatory personnel in order to finalize, implement and maintain the information sharing procedures.

Second, with respect to the obligation of AmerisourceBergen in Section II(1)(b)(i) of the Agreement ("Obligations of AmerisourceBergen"), to "[i]nform DEA of suspicious orders. . .," ABDC has at present implemented a computerized, automated system for its distribution facilities to identify orders from retail outlets and other customers which might be considered "suspicious," within the

PLAINTIFFS TRIAL EXHIBIT
P-00877_00001

meaning of 21 C.F.R. § 1301.74(b). As ABDC and DEA have agreed, the local Distribution Center will review such orders in a timely fashion in order to determine whether or not the order appears to be legitimate, notwithstanding the automated system having "flagged" the order. Such orders which the Distribution Centers consider legitimate following diligent review will be released to the customers. Based on the discussions between ABDC and the DEA, further, the Parties have determined that information about these orders which, following ABDC's Distribution Center review, are determined not to be "suspicious," need not be reported to the DEA.

Any orders which the local Distribution Center cannot confirm as legitimate are to be "held," and not shipped to the customers, pending more in-depth inquiry by ABDC's national CSRA investigatory group. Where the CSRA investigators can determine, based on past inquiries, that an order held at a Distribution Center is in fact legitimate, the order may be released for shipment. Again, these orders which are shipped on the basis of previous CSRA investigation and clearance need not and will not be reported to DEA. This is consistent with the DEA's objective for distributors of scheduled narcotics and controlled substances to report only truly "suspicious" orders within the meaning of the Regulation, § 1301.74(b), rather than overburden DEA with an excessive amount of information which ultimately relates only to legitimate pharmacies.

The remaining orders will be fully investigated by ABDC's CSRA national investigatory group, under Vice President Zimmerman's direction and they will not be shipped unless they can be confirmed as bona fide. These remaining orders will all be reported to DEA, regardless of whether the CSRA group ultimately concludes that they are bona fide and shipped, or that they are "suspicious," and thus not filled.

Third, with respect to hospitals' orders which are identified by ABDC's automated system as potentially "suspicious" on the basis of, for example, quantity, DEA has agreed that ABDC may release such orders to hospital customers while continuing to review them in a timely fashion, without being considered in violation of its obligations under the Agreement. DEA recognizes that such release of hospital orders initially "flagged" as potentially suspicious are necessary to ship without delay, because hospitals maintain "just in time" inventory, and have pressing patient care issues which require them to be able to obtain ordered pharmaceutical products, including controlled substances and scheduled narcotics. DEA also recognizes that hospital pharmacy orders which are in fact legitimate have the potential to appear "suspicious" to an automated system whose focus is more geared to analysis of retail pharmacies. Where ABDC receives an order for controlled substances and/or scheduled narcotics which is extraordinarily large for a hospital of that size, and which represents an extraordinary deviation from that hospital's past order history, the local Distribution Center will follow its normal procedures for investigation and treatment of "suspicious" orders.

If anything in this letter does not fully and accurately reflect these further agreements between the Parties, and thus represent official policy of the DEA upon which AmerisourceBergen may rely until advised otherwise in writing by DEA Headquarters, would you please contact me at your earliest convenience and no later than Friday, July 13, 2007.

ReedSmith

I appreciate your continued attention and courtesy with respect to this matter.

Very truly yours,

REED SMITH LLP

By: Efrem M. Grail

EMG/seg

cc: Michael R. Mapes, Chief, Regulatory Section, Office of Diversion Control,
Drug Enforcement Administration (via e-mail to: Michael.R.Mapes@usdoj.gov)
Chris Zimmerman, Vice President, Corporate Security and Regulatory Affairs,
AmerisourceBergen Corporation (via e-mail)
Debbie Swartz, Esq., Assistant General Counsel,
AmerisourceBergen Corporation (via e-mail)